
**Insurance, Financial Services &
Consumer Protection Committee**

HB 3053

Brief Description: Regulating auto glass repair.

Sponsors: Representatives Kirby, Rodne, Simpson, Roach and Kelley.

Brief Summary of Bill

- Prohibits an insurer or its third-party administrator (TPA) from recommending a different automobile glass repair or replacement facility (facility) for a claim that only involves glass if that person making the claim indicates that they have chosen a facility.
- Requires an insurer or its TPA provide a person making a claim with names of at least two alternative facilities that are comparable and in reasonable proximity if the insurer or its TPA owns an interest in a facility that is being recommended.
- Broadens the methods in which information can be provided by an insurer or its TPA.

Hearing Date: 1/24/08

Staff: Jon Hedegard (786-7127).

Background:

The insurance industry is regulated by the Insurance Commissioner, under the statutory provisions set forth in Title 48 RCW. Under current insurance rules, an insurer generally must make a good faith effort to honor a request for repairs to be made in a specific repair shop and cannot arbitrarily deny a request.

A third-party administrator (TPA) is an entity that manages an insurance program for an organization, and functions as an intermediary between an insurer and an insured. A TPA is sometimes used by insurers with respect to insurance programs. A TPA typically processes claims or provides administrative services.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

In 2007, the Legislature passed SSB 5052. The new law provides that a person has the right to choose any automobile glass repair or replacement facility for the repair of a loss relating to motor vehicle glass.

If an insurer or its TPA owns, in whole or in part, a facility, the insurer or TPA must:

- Verbally inform the person making the claim of their right to choose any facility and of the TPA's relationship to the insurer.
- Post a notice in each of the facilities. The notice must state that the facility is owned in whole or in part by the insurer or the insurer's TPA and that the consumer has a right to seek repairs at any facility. If it is a mobile facility, the insurer or its TPA must verbally provide the notice before beginning the repair or replacement.

A private right of action does not exist for violations.

Summary of Bill:

Prior to making a recommendation, an insurer or its TPA must ask a person making a claim for a loss that only involves glass if that person has chosen a facility. If the person indicates a facility, the insurer or its TPA must not recommend a different facility for the repairs.

If an insurer or its TPA owns an interest in a facility that is being recommended, the person making the claim must also be provided with names of at least two alternative facilities that are comparable and in reasonable proximity.

The requirements that certain information must be provided verbally are removed.

The provision regarding notice where a mobile facilities is concerned is removed.

The provision precluding a private right of action is removed.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.